REMARKS

Applicants respectfully request further examination and reconsideration in view of the instant response. Claims 1-24 remain pending in the case. Claims 1-24 are rejected. Support for the amendments to independent Claims 1 and 9 can be found in the instant application serial no. 09/903,075 at Figure 10, pages 47-50,

35 U.S.C. §101

In paragraph 3 of the Examiner's Answer, Claims 1 and 9 were rejected under 35 U.S.C. 101.

The Examiner's Answer states in the last paragraph on page 6, "The method of claim 1 is not tied to any machine such as a computer system."

The Examiner's Answer states in the last paragraph on page 3 and the first paragraph on page 4,

Claim 9 only recites the software programs termed as respective system elements...These elements represent code without the associated structure required of the system claim.

Software program per se represent data structure without being connected to a processor or server does not fit into any of the four statutory classes (process, apparatus, article of manufacture and composition of matter) and therefore is not statutory subject matter under 35 U.S.C. 101. (MPEP 2106 Patent Subject Matter Eligibility [R-6]).

In the last paragraph on page 13, the Examiner's Answer states in the Response to Arguments section,

In order for a method to be considered a "process" under 101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); <u>Gottschalk v. Benson</u>, 409 U.S. 63, 70 (1972); In re *Bilski*, 88 USPQ2d 1385, 1391 and 1396 (2008).

The Examiner's Answer states in the first two paragraphs on page 7, "It is thus clear that the present statue does not allow patents to be issued on particular business

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 14 Group Art Unit: 3693 systems-such as a particular type of arbitration-that depend entirely on the use of mental processes..."

Independent Claim 1 has been amended to recite selecting, predicting, and determining performed by a computer system. Independent Claim 9 has been amended to recite "a processor for executing instructions; a computer readable medium with said instructions stored thereon, wherein said instructions implement." As such, Applicants respectfully submit that independent Claims 1 and 9 are tied to an apparatus, such as a computer system, which is a statutory class. Applicants respectfully submit that independent Claim 1 also transforms underlying subject matter for at least the reason that independent Claim 1 "by inverting said relevant bidding model" where said relevant bidding model "specifies past bidding behavior as a function of information held privately by a bidder, that is determined based at least in part on said historical auctions data," "wherein said historical bids data is stored on computer readable medium that is accessed by said computer system." For at least these reasons, Applicants believe that independent Claims 1 and 9 recite statutory subject matter.

35 U.S.C. §112, first paragraph

On page 8 of the Examiner's Answer, Claims 1-24 were rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The Examiner's Answer states starting on the last line of page 8 asks with respect to "relevant bidding model" and "bidding model" recited by Claims 1, 9 and 17, "Which identifies the required elements used for selecting the bidding model?" As can be seen from reading the Claims and the specification, Applicants respectfully point out that Claims 1, 9 and 17 recite "selecting a relevant bidding model..." (emphasis added) where bidding model has an adjective "relevant" and the "relevant bidding model" is selected. Pg. 18 lines 20+- col. 19, line 1 state, "A bidding model specifies..." with no adjective in front of the "bidding model." Both the relevant bidding model and the bidding model specify bidding behavior types of information. The relevant bidding

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 15 Group Art Unit: 3693 model <u>is selected</u> as a function of information held... The bidding model <u>is</u> a function of... The Claims 1, 9 and 17 as well as Pg. 18 lines 20+- col. 19, line 1 use the word "function," however, as can be seen from reading the claims and the specification, the "relevant bidding model" is selected as a function of... whereas the "bidding model" is a function of.

Applicants also respectfully point out that MPEP 2163.04 states "The <u>examiner has the initial burden</u> of presenting by <u>a preponderance of evidence</u> why a person skilled in the art would not recognize in an applicant's disclosure a description of the invention defined by the claims. *Wertheim*, 541 F.2d at 263, 191 USPQ at 97" (emphasis added). Therefore, Applicants respectfully requests that if future Office Actions make rejections under 35 U.S.C. 112, first paragraph, that the future Office Actions accompany the rejections with <u>a preponderance of evidence</u> as to why a person skilled in the art would not recognize in Applicants' disclosure a description of the invention defined by the claims <u>instead of asking Applicants' to answer a series of questions</u>.

RESPONSE TO ARGUMENT'S SECTION

The Examiner's Answer states on page 25 under the 112, paragraph 1 section, Applicant's arguments have been fully considered but they are not persuasive.

The Examiner's Answer states on page 14,

The claimed invention says the relevant bidding model specifies bidding behavior as a function of (a) information held privately by a bidder and (b) characteristics of the market. The specification says the bidding model specifying a bidding behavior is a function of (a) the characteristics of the auction and (b) market structure of the auction. The specification does not support this limitation of the invention as claimed because the requirements of the relevant bidding model that specifies past bidding behavior are different.

Applicants respectfully traverse. Applicants respectfully point out that the specification does provide support for "selecting a relevant bidding model that specifies past bidding behavior as a function of information held privately by a bidder …and said

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 16 Group Art Unit: 3693 characteristics of said market..." at page 24 lines 12-20, among other places, which states,

A <u>bidding model</u> <u>specifies</u> <u>bidding behavior as a function of information held by a bidder and the characteristics of the market structure</u>.

Part of the information held by a bidder is inherently private, that is, is known only by the bidder himself/herself and not observed by other participants (emphasis added).

The Examiner's Answer goes on to state in the response to arguments section on page 14,

Even if, as applicant's suggest, there is an alternative definition for what a bidding model is in applicant's specification. The specification would be suggesting multiple, conflicting definitions for what "a bidding model" is and what is required of it to perform the invention. Thus, the claims still contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Applicants respectfully traverse. Independent Claims 1, 9 and 17 recite, "a relevant bidding model that specifies past bidding behavior as a function of information held privately by a bidder, that is determined based at least in part on said historical auctions data, and said characteristics of said market..." (emphasis added). The embodiments recited by independent Claims 1, 9 and 17 are consistent with the description in Applicants' specification which states,

A <u>bidding model</u> <u>specifies</u> <u>bidding behavior as a function of information held by a bidder and the characteristics of the market structure</u>.

Part of the information held by a bidder is inherently private, that is, is known only by the bidder himself/herself and not observed by other participants (emphasis added).

It appears to Applicants that the Examiner's Answer's statement "there is an alternative definition for what a bidding model is in applicant's specification. The specification would be suggesting multiple, conflicting definitions for what "a bidding model" is and what is required of it to perform the invention" is referring to the use of the word "and" in "a relevant <u>bidding model</u> that <u>specifies</u> past <u>bidding behavior as a function of information held privately by a bidder</u>, that is determined based at least in part on said historical auctions data, **and** <u>said characteristics of said market...</u>"

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 17 Group Art Unit: 3693 (emphasis added). The use of the word "and" is not suggesting multiple, conflicting definitions. The use of the word "and" indicates that a bidding model specifies past bidding behavior as a function of more than one thing -- information held privately by a bidder <u>and</u> characteristics of a market. For example, in mathematics x can be a function of y <u>and</u> z.

Concerning the Examiner's Answer that "the requirements of the relevant bidding model that specifies past bidding behavior are different" Applicants respectfully traverse. Applicants respectfully point out that Claims 1, 9 and 17 recite that a relevant bidding model specifies past bidding behavior. The relevant bidding model specifies the past bidding behavior as a function of information held privately by the bidder...and said characteristics of said market. For example, an equation for x can be used to specify something of interest. The equation for x can specify the thing of interest as a function of y and z.

SUMMARY

For at least these reasons, Applicants respectfully submit that independent Claims 1, 9 and 17 comply with the written description requirement under 35 U.S.C. 112, first paragraph. Claims 2-8 depend on independent Claim 1. Claims 10-16 depend on independent Claim 9. Claims 18-24 depend on independent Claim 17. These dependent claims include all of the features of their respective independent claims. Therefore, these dependent claims comply with the written description requirement under 35 U.S.C. 112, first paragraph for at least the reasons that their respective independent Claims 1, 9 and 17 comply with the written description requirement under 35 U.S.C. 112, first paragraph.

35 U.S.C. §112, second paragraph

On page 9 of the Examiner's Answer, Claims 1-24 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particular point out and distinctly claim the subject matter which Applicants regards as the invention.

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 18 Group Art Unit: 3693 Per Claims 1, 9 and 17:

The Examiner's Answer states at lines 9-11 on page 9, "The meaning of characteristics of said market is indefinite. What are the characteristics of the market? E.g., Could just saying the market is an auction be sufficient. If it is something more, what is it?" Applicants respectfully point out that Applicants are their own lexicographers MPEP 2173.01 states,

A fundamental principle contained in 35 U.S.C. 112, second paragraph is that applicants are their own lexicographers. They can define in the claims what they regard as their invention essentially in whatever terms they choose so long as **>any special meaning assigned to a term is clearly set forth in the specification.

Enabling support for "characteristics of said market" can be found in numerous places of the instant application such as the description of step 121 of Figure 12 (also referred to as process 40) which can be found at page 37 line 9 to page 40 line 11.

On lines 12-13 on page 9, the Examiner's Answer states, "The meaning of 'bidding model is indefinite. What is the bidding model? What elements are required to select it?" As can be seen from reading the Claims 1, 9 and 17, Applicants respectfully point out that Claims 1, 9 and 17 recite "a relevant bidding model." The "relevant bidding model" specifies bidding behavior. The "relevant bidding model" is selected "as a function of information held private by a bidder and said characteristics of said market."

On lines 14-17 on page 9, the Examiner's Answer states, "The meaning of estimated structure is indefinite. How is it selected? How does the estimated structure tie in with the other claim limitations? E.g., The specification says that a collection of variables are required to estimate the structure of the market however this is never addressed in the claims." First, Applicants respectfully point out that the specification does not say that the collection of variables is a required element. However, in the interest of expediting prosecution of the instant application, Applicants have amended the independent claims.

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 19 Group Art Unit: 3693 Starting at the second to last sentence on page 9 to the second sentence on page 10, the Examiner's Answer states, "The meaning of bidding behavior is indefinite. How can specifying bidding behavior be a requirement of the bidding model (as claimed)? Yet the bidding model is used to predict bidding behavior (as claimed)? Which comes first? Also, are specified and predicted bidding behaviors different in some way? As can be seen from reading the Claims 1, 9 and 17, Applicants respectfully point out that Claims 1, 9 and 17 recite "relevant bidding model" and "predicting first bidding behavior ... predicting second bidding behavior..." The "relevant bidding model" specifies "bidding behavior" and is selected "as a function of information held privately by a bidder..." Estimated structures of said market, characteristics of said market and said relevant bidding model are used as part of predicting the first and second bidding behaviors. The bidding behavior specified by the relevant bidding model can be used as a part of predicting the first bidding behavior and the second bidding behavior.

In the first paragraph on page 10, the Examiner's Answer states, "What are the outcomes to be expected? How are they used to make a determination? Are they evaluated from a bidder or seller perspective? E.g., Are you looking for the highest or lowest price? Once you have this information, how do you know what is preferred?" Applicants respectfully point out that Claims 1, 9 and 17 recite "evaluating said first outcome of said market and at least said second outcome of said market to determine an auction format of said market." Therefore, as can be seen from reading Claims 1, 9 and 17, the outcome is "...to determine an auction format..." As far as what is used to determine the auction format, Applicants point the Examiner to the features recited by the Claims, which recite among other things, "characteristics of said market," "relevant bidding model," "information held privately by a bidder," "predicting a first bidding behavior...," "predicting a second bidding behavior," "estimated structure of said market," "predicting a first outcome of said market based on said first bidding behavior," and "predicting a second outcome of said market based on said second bidding behavior." Further, the Claims 1, 9 and 17 recite various relationships between these recited features such as "...as a function of...said characteristics of said

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 20 Group Art Unit: 3693 market...utilizing said first estimated structure of said market, said characteristics of said market and said relevant bidding model...based on said first bidding behavior..."

At second paragraph on page 10, the Examiner's Answer asserts that "relevant bidding model" is a relative term which renders the claim indefinite and that the term "relevant" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. Applicants respectfully disagree. The instant application provides more than enough information so that one of ordinary skill in the art could implement a version of "selecting a relevant bidding model specifying bidding behavior as a function of information held privately by a bidder and said characteristics of said market." For example refer to page 37 line 8 to page 38 line 2 for two examples of relevant bidding models-Model 1 and Model 2.

In the third paragraph on page 10, the Examiner's Answer states that in summation, claims 1, 9 and 17 are indefinite because

a) The scope of the claims is unclear. Terms such as 'structure', 'characteristics of said market' are broad, abstract concepts. b) There is insufficient correlation or interrelationship among the steps. c) There is no requirement of the claim to produce a result (i.e., the claim has not outputted a result). d) The evaluating step is unclear. How does the evaluating occur (i.e., evaluating mean, variance etc.)? e) The claim recites the limitation 'relevant bidding model' it is unclear what is meant by relevant.

Applicants respectfully disagree. For reasons already discussed under the 101 rejection for the response to the Office Action dated September 5th, 2007, terms such as "characteristics of said market," "a first and a second estimated structure of said market" are not broad, abstract concepts. Further, there is sufficient correlation or interrelationship among the steps. For example as already stated, the Claims 1, 9 and 17 recite various relationships between these recited features such as "...as a function of...said characteristics of said market...utilizing said first estimated structure of said market, said characteristics of said market and said relevant bidding model...based on said first bidding behavior..." Claims 1, 9 and 17 produce the result "to determine an auction format..." Further, the instant application provides sufficient enablement so that

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 21 Group Art Unit: 3693 one of ordinary skill in the art could implement "evaluating said first outcome...and...said second outcome..." for example in the description of step 126 (also known as process 90) at page 45 line 13 to page 46 line 16. Applicants have already addressed why "relevant bidding model" is clear.

In the last paragraph on page 10, the Examiner's Answer states with respect to Claims 9-16, "The claim is indefinite because the preamble recites a system claim but the structural components of the system used to carry out the claimed invention are unclear..." It appears to Applicants that the Examiner's Answer is referring to independent Claim 9. Independent Claim 9 has been amended to recite "a processor for executing instructions; a computer readable medium with said instructions stored thereon, wherein said instructions implement." For at least this reason, Applicants believe that this rejection has been addressed.

Per Claims 2, 10, and 18:

The Examiner's Answer states in the middle of page 11, "The claim recites the limitation 'first user input.' Who is the user (i.e., bidder, seller)? Does it matter?" First, Applicants respectfully point out that Claims 2, 10 and 18 do not recite "a user." Second, as can be seen from reading Claims 2, 10 and 18, Applicants respectfully point out that "first user input comprises information identifying an item to be auctioned." Therefore, a user would be a person that is capable of providing "information identifying an item to be auctioned."

The Examiner's Answer states in the third paragraph on page 11, "The claim recites the limitation 'auction characteristics data.' How is this different than the characteristics of said market?" As can be seen from reading the Claims 2, 10 and 18, Applicants respectfully point out that Claims 2, 10 and 18 recite "said selecting characteristics of said market step <u>comprises</u> the steps of...retrieving ...auction characteristics data...outputting said auction characteristics data"

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 22 Group Art Unit: 3693 The Examiner's Answer states in the fourth paragraph on page 11, "The term 'similar items' in claim 2 is a relative term which renders the claim indefinite. The term 'similar' is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention." Applicants respectfully submit that MPEP 2173.05(b) states,

When a term of degree is presented in a claim, first a determination is to be made as to whether the specification provides some standard for measuring that degree. If it does not, a determination is made as to whether one of ordinary skill in the art, in view of the prior art and the status of the art, would be nevertheless reasonably apprised of the scope of the invention.

The Claims and the written description of the instant application provide sufficient information so that someone of ordinary skill in the art could determine, for example, that two cars are similar items.

Per Claims 3, 11, and 19:

The Examiner's Answer states in the third to last paragraph on page 11, "The claim recites the limitation 'auction characteristics data.' How is this different than the characteristics of said market?" The auction characteristics data, according to one embodiment, can be obtained from a historical auction data repository (lines 7-8 of page 18) and used as a part of selecting characteristics of said market (refer to the description of step 121 and independent Claims 1, 9 and 17).

Per Claims 4, 12 and 20:

The Examiner's Answer states in the second to last paragraph on page 11, "The claim recites the limitation 'unobservable variables.' What is this? Variables of what?" The last paragraph on page 11 states, "The claim recites the limitation 'observable bids.' What is this? Are these related to the historical bids or are they something else?" Applicants respectfully point out that Claims 4, 12 and 20 recite that these unobservable

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 23 Group Art Unit: 3693 variables can be expressed in terms of observable bids by inverting said relevant bidding model.

In the first paragraph on page 12, the Examiner's Answer states with regards to Claims 4, 12 and 20, "The claim recites the limitation 'estimated latent structure of said market.' What is this? How is it estimated? How is it different than the estimated structure?" Applicants amended Claims 4, 12 and 20 in the response to the Office action dated September 5th 2007 to address this issue. For example, Claim 4 was amended to recite, "expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of said observable bids by inverting said relevant bidding model; transforming said historical bids data to a sample of inverted bids, wherein said historical bids data are transformed by inverting said relevant bidding model."

Per Claims 5, 13 and 21:

In the second paragraph of the Examiner's Answer on page 12, "The claim recites 'wherein said relevant bidding model has embedded an unknown structure, and wherein said predicting of said first bidding behavior step comprises the steps of:' Is the bidding model a function of the unknown structure also?" Applicants respectfully point out that Claims 5, 13 and 21 recite "said relevant bidding model <u>has embedded</u> an unknown structure..." (emphasis added). Therefore, as is evident from reading the claims, Applicants respectfully point out that the unknown structure is embedded in the relevant bidding model.

The Examiner's Answer goes on to state, "How is the unknown structure different than the estimated latent structure and the estimated structure?" Applicants are not clear as to what the Examiner's Answer is asking. It shall be assumed that the Examiner's Answer intended to ask "How does the estimated structure recited in Claim 5 relate to 'estimated latent structure of said market' and 'said estimated structure' recited by Claim 4?" Both Claims 4 and 5 were amended in the response to the Office Action dated September 5th 2007. Claim 5 now recites "substituting said estimated

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 24 Group Art Unit: 3693 structure of said market for said unknown structure." Therefore, Applicants believe that this issue has been addressed.

Per Claims 6, 14 and 22:

The Examiner's Answer states in the third paragraph on page 12, "The claim recites the limitation 'second user input.' Who is the user (i.e., bidder, seller)? Does it matter?" First, Applicants respectfully point out that Claims 6, 14, and 22 do not recite "a user." Second, as can be seen from reading Claims 6, 14 and 22, Applicants respectfully point out that Claims 6, 14 and 22 recite "said second user input comprises: an evaluation criterion; a candidate auction format; and a constraint." Therefore, a user would be a person that was capable of providing "evaluation criterion, candidate auction format and a constraint."

In the middle of page 12, the Examiner's Answer states, "The claim recites the limitation 'an evaluation criterion.' What is this?" As can be seen from reading Claims 6, 14, and 22, evaluation criterion is criterion that is used in evaluation. A value is obtained from the evaluation criterion where the value is based on said estimated structure of said market, said bidding behavior prediction, said candidate auction format and said constraint and where the value comprises said first predicted outcome.

Next the Examiner's Answer states, "The claim recites the limitation 'constraint.' What is this?" As can be seen from reading Claims 6, 14 and 22, a constraint is a part of the second user input, a prediction <u>is made based on</u> the constraint, said value of said evaluation criterion is obtained based on ".... said constraint..."

Per Claims 7, 15, and 23:

On page 12 lines 12-13, the Examiner's Answer states with regards to Claims 7, 15 and 23, "The claim recites the limitation 'third user input.' Who is the user (i.e., bidder, seller)? Does it matter?" First, Applicants respectfully point out that Claims 7, 15 and 23 do not recite "a user." Second, as can be seen from reading Claims 7, 15 and 23, Applicants respectfully point out that the third user input comprises a plurality of

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 25 Group Art Unit: 3693 candidate auction formats, therefore, a user would be a person who could provide "a plurality of candidate auction formats."

On lines 14-15 of page 12, the Examiner's Answer states, "The claim recites the limitation 'descriptive statistics.' What is this? How is it descriptive?" As can be seen from reading Claims 7, 15 and 23, Applicants respectfully point out that the descriptive statistics comprise a mean and a variance and are for each of said candidate auction formats.

On line 16 of page 12, the Examiner's Answer states, "Should 'said plurality' be – said plurality of candidate auction formats--?" As can be seen from reading Claims 7, 15, 23 and the claims from which they depend, Applicants respectfully point out that the only plurality recited is the "plurality of candidate auction formats." Therefore, the phrase "a plurality of candidate auction formats" provides antecedent basis for the phrase "said plurality."

The Examiner's Answer reiterates a subset of the questions pertaining to the rejected claims that were asked in the Office Action dated September 5, 2007. Applicants provided answers to all of the original questions. However, the current Examiner's Answer, as well as the fifth and sixth Office Actions, reiterates a subset of the questions. The Examiner's Answer includes a Response to Arguments section. However, the Response to Arguments section includes a repeat of questions instead of responding to Applicants' answers. Applicants respectfully request that the next Office Action fully reply to all of Applicants remarks.

Applicants also respectfully point out that although Claims 1-24 are rejected under 35 U.S.C. §112, second paragraph, the questions indicate that the Examiner's Answer intended to reject the Claims 1-24 under 35 U.S.C. §112, first paragraph. Applicants respectfully direct the reader to Applicants' remarks under the 35 U.S.C. §112, first paragraph section of this response.

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RESPONSE TO ARGUMENTS SECTION

The Examiner's Answer states with respect to Claims 1, 9 and 17 starting in the last paragraph on page 14 to the third line on page 15 in the response to arguments, that "The phrase 'characteristics of said market' is abstract. A characteristic of a market could just be that it is an auction..." Applicants respectfully submit that the Examiner's Answer is making a 35 U.S.C. 101 rejection not a 35 U.S.C. 112, second paragraph rejection. The wording in the Examiner's Answer in the last paragraph on page 14 to the third line on page 15 is almost exactly the same wording that the Final Office Action dated September 14, 2008 used in a 35 U.S.C. 101 rejection. Similarly, the Examiner's Answer has made a 101 type rejection of "estimated structure of said market" under 35 U.S.C. 112, second paragraph in the last paragraph on page 15 and a 101 type rejection of "outcome" under 35 U.S.C. 112, second paragraph in the second to last paragraph on page 16. Applicants also answered these rejections of "estimated structure of said market" and "outcome" in the Final Office Action dated September 14, 2008. Applicants respectfully point out that the Examiner's Answer withdrew the 101 rejection in paragraph 1 and, therefore, should not be reintroducing the same 101 rejections under the guise of a 35 U.S.C. 112, second paragraph rejections.

In order to be fully responsive to the Examiner's Answer, Applicants reiterate that the section "Determine Whether the Claimed Invention Preempts a 35 U.S.C. 101 Judicial Exception (Abstract Idea, Law of Nature, or Natural Phenomenon)" of MPEP 2106 provides guidelines for determining whether an embodiment recited by a claim pertains to an abstract idea. These guidelines indicate that an idea is abstract if the recited embodiment results in "every 'substantial practical application' of an abstract idea." Applicants respectfully submit that the embodiments recited by independent Claims 1, 9 and 16 are not abstract ideas because, among other things, the embodiments recited by independent Claims 1, 9 and 16 would not result in "every 'substantial practical application' of an abstract idea" for at least the reason that independent Claims 1, 9 and 16 recite "selecting characteristics of said market based at least in part on stored historical data that includes data for historical auctions performed in the past for a plurality of bidders...selecting a relevant bidding model

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 27 Group Art Unit: 3693 ...based on segments of said historical auctions related to a specified item...selecting ...estimated structure of said market...by inverting said relevant bidding model" and recite "...information held privately by a bidder, that is determined based at least in part on said historical auctions..."

The second and third paragraphs on page 15 of the Examiner's Answer are a reiteration of rejections already made else where in the Examiner's Answer, which Applicants have already responded to herein.

The Examiner's Answer states starting at line 3 on page 16, "The specification says that a collection of variables are required to estimate the structure of the market however this is never addressed in the claims." The Examiner's Answer goes on to quote Applicant's specification at page 25 lines 5-10. Applicants respectfully traverse. For example, Applicant's specification does not state at page 25 lines 5-10 that a collection of variables are required to estimate the structure of a market.

The Examiner's Answer states in the middle of page 16, The meaning of bidding behavior is indefinite because it is: (a) an input and/or required element of the bidding model (e.g., "selecting a relevant bidding model that specifies past bidding behavior...) and

(b) an output of the bidding model (e.g., "predicting a first bidding behavior...", "Predicting at least a second bidding behavior..."). The claim is unclear regarding how the specified "past bidding behavior" and the "predicted first bidding behavior" and "at least a second bidding behavior are different.

Applicants respectfully submit that "selecting a relevant bidding model that specifies past bidding behavior..." does not recite that past bidding behavior is input to the bidding model. Applicants respectfully submit that the Examiner's Answer is mischaracterizing recited embodiments in stating that "...bidding behavior ... is... (b) an output of the bidding model (e.g., "predicting a first bidding behavior...", "Predicting at least a second bidding behavior...")." For example, Claim 1 recites "predicting a first bidding behavior utilizing said first estimated structure of said market, said characteristics of said market and said relevant bidding model...predicting at least a second bidding behavior utilizing at least said second estimated structure of said

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 28 Group Art Unit: 3693 market, said characteristics of said market and said relevant bidding model..." in contrast to reciting that "...bidding behavior ... is...(b) an output of the bidding model (e.g., "predicting a first bidding behavior...", "Predicting at least a second bidding behavior...")," as the Examiner's Answer asserts.

The remarks concerning the phrase "outcome" being abstract in the second to last paragraph on page 16 have already been addressed herein. The Examiner's statement concerning "outcome" as to "whether something is evaluated from the bidder or seller perspective…" are a reiteration of remarks made in the first paragraph on page 10, the Examiner's Answer, which have already been addressed herein.

Starting at the second to last sentence on page 16 with respect to Claims 9-16, the Examiner's Answer states, "The claim is indefinite because the preamble recites a system claim but the structure components of the system used to carry out the claimed invention are unclear..." Applicants have amended independent Claim 9 to recite "a processor for executing instructions; a computer readable medium with said instructions stored thereon, wherein said instructions implement." As such, Applicants respectfully submit that the rejection of independent Claim 9 has already been addressed. Claims 10-16 depend on independent Claim 9 and should be patentable for similar reasons that independent Claim 9 should be patentable.

The remarks starting at line 5 on page 17 to the end of the Response to Arguments are a repeat of remarks made else where in the Examiner's Answer. Applicants have already responded to these repeated remarks.

SUMMARY

For at least these reasons, Applicants respectfully submit that independent Claims 1, 9 and 17 particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Claims 2-8 depend on independent Claim 1. Claims 10-16 depend on independent Claim 9. Claims 18-24 depend on independent Claim 17. These dependent claims include all of the features of their respective independent

10014768-1 Serial No.: 09/903,075 Examiner: Chandler, Sara M. 29 Group Art Unit: 3693 claims. Therefore, these dependent claims particularly point out and distinctly claim the subject matter which Applicants regard as the invention for at least the reasons that their respective independent Claims 1, 9 and 17 particularly point out and distinctly claim the subject matter which Applicants regard as the invention.

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CONCLUSION

Based on the arguments presented above, Applicants respectfully assert that Claims 1-24 overcome the rejections of record and, therefore, Applicants respectfully solicit allowance of these Claims.

The Examiner is invited to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Respectfully submitted,

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